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Chairman: Ms. Wensley ..... (Australia)
later: Mr. Darwish (Vice-Chairman) ..... (Egypt)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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Section 11B. International Trade Centre UNCTAD/WTO (continued)

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The meeting was called to order at 10.10 a.m.

Agenda Item 17: Appointments to fill vacancies in subsidiary organs and other appointments

(a) Appointment of members of the Advisory Committee on Administrative and Budgetary Questions (A/54/101/Rev.1; A/C.5/54/5)

1. **The Chairman** said that, as indicated in document A/54/101/Rev.1, the terms of office of five members of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) would expire on 31 December 1999. Document A/C.5/54/5 contained the names of five persons nominated by their respective Governments to fill the resulting vacancies. Since the number of candidates from the four regional groups, namely the Group of African States, the Group of Eastern European States, the Group of Latin American and Caribbean States and the Group of Western European and Other States, was equal to the number of vacancies for each group, she took it that the Committee wished to recommend to the General Assembly the appointment of the five candidates endorsed by their respective regional groups to the Advisory Committee for a three-year term beginning on 1 January 2000.

2. *Mr. Biraud (France), Ms. Goicochea Estenoz (Cuba), Mr. Kuznetsov (Russian Federation), Ms. Shearouse (United States of America) and Mr. Tchoungui (Cameroon) were recommended for appointment to the Advisory Committee on Administrative and Budgetary Questions.*

(b) Appointment of members of the Committee on Contributions (A/54/102; A/C.5/54/6)

3. **The Chairman** said that, as indicated in document A/54/102, the terms of office of six members of the Committee on Contributions would expire on 31 December 1999. Document A/C.5/54/6 contained the names of six persons nominated by their respective Governments to fill the resulting vacancies. Since the number of candidates from the four regional groups, namely the Group of Asian States, the Group of Eastern European States, the Group of Latin American and Caribbean States and the Group of Western European and other States was equal to the number of vacancies for each group, she took it that the Committee wished to recommend to the General Assembly the appointment or reappointment of the six candidates endorsed by their respective regional groups to the committee on contributions for a three-year term beginning on 1 January 2000.

4. *Mr. Gurgel de Alencar Netto (Brazil), Mr. Ju Kuilin (China), Mr. Mareyev (Russian Federation), Mr. Marrón (Spain), Mr. Park Hae-yun (Republic of Korea) and Mr. Sessi (Italy) were recommended for appointment to the Committee on Contributions.*

(c) Appointment of a member of the Board of Auditors (A/54/103; A/C.5/54/7)

5. **The Chairman** drew attention to documents A/54/103 and A/C.5/54/7, in which the Secretary-General informed the General Assembly of the need to appoint the Auditor-General, or officer holding the equivalent title, of a Member State to fill the vacancy that would occur in the membership of the United Nations Board of Auditors on 1 July 2000, and of the nomination by the Government of South Africa of the Auditor-General of the Republic of South Africa. Since there was only one candidate, she took it that the Committee wished to recommend to the General Assembly the appointment of the Auditor-General of the Republic of South Africa to the Board of Auditors for a three-year term beginning on 1 July 2000.

6. *The Auditor-General of the Republic of South Africa was recommended for appointment to the United Nations Board of Auditors.*

(d) Confirmation of the appointment of members of the Investments Committee (A/54/104; A/C.5/54/8)

7. **The Chairman** said that, as indicated in document A/54/104, the terms of office of three members of the Investments Committee would expire on 31 December 1999. She drew attention to document A/C.5/54/8, in which the Secretary-General submitted for confirmation by the General Assembly the names of three persons appointed by him to fill the resulting vacancies. Since the number of candidates was equal to the number of vacancies, she took it that the Committee wished to recommend to the General Assembly confirmation of the three persons appointed by the Secretary-General to the Investments Committee for a three-year term beginning on 1 January 2000.

8. *Ms. Bovich (United States of America), Mr. Ohta (Japan) and Mr. Stormonth Darling (United Kingdom) were recommended for appointment to the Investments Committee.*

(e) Appointment of members of the United Nations Administrative Tribunal (A/54/105; A/C.5/54/9)

9. **The Chairman** said that as indicated in document A/54/105, the terms of office of two members of the United Nations Administrative Tribunal would expire on 31 December 1999. Document A/C.5/54/9 contained the names of two persons nominated by their respective Governments to fill the resulting vacancies. Since the number of candidates was equal to the number of vacancies, she took it that the Committee wished to recommend to the General Assembly the reappointment of the two candidates to the United Nations Administrative Tribunal for a three-year term beginning on 1 January 2000.

10. *Mr. Barboza (Argentina) and Mr. Gabay (Israel) were recommended for appointment to the United Nations Administrative Tribunal.*

(f) Appointment of a member of the United Nations Staff Pension Committee (A/53/112; A/C.5/54/10)

11. **The Chairman** drew attention to documents A/53/112 and A/C.5/54/10, in which the Secretary-General informed the General Assembly of the resignation of Mr. Hidayat (Indonesia) from the United Nations Staff Pension Committee, and of the nomination of Mr. Sial (Pakistan) to fill the remainder of Mr. Hidayat's term of office. Since there were no other candidates, she took it that the Committee wished to recommend to the General Assembly the appointment of Mr. Sial to the United Nations Staff Pension Committee for a term beginning on the date of appointment and expiring on 31 December 2000.

12. *Mr. Sial (Pakistan) was recommended for appointment to the United Nations Staff Pension Committee.*

Agenda Item 126: United Nations common system *(continued)*

13. **Mr. Fareed** (Director, Office for Inter-Agency Affairs) recalled that the Secretariat had been asked to prepare written responses to the questions posed by delegations during the Committee's general debate on the item. The document to be circulated focused on the proposed review of the International Civil Service Commission (ICSC), explaining the purpose of the review, the terms of reference of the review group, and the criteria for the selection of the members of the review group. In accordance with established practice, the Secretariat would prepare a statement of financial implications. Useful background information was contained in document ACC/1995/23, in which the Administrative Committee on Coordination (ACC) addressed the need to strengthen the common system. It must be borne in mind that the review would be forward-looking and was not intended to be an inspection of ICSC.

14. **Mr. Corell** (Under Secretary-General, The Legal Counsel) said that he had taken note of the concerns expressed by a number of delegations regarding the proposed amendment to the statute of ICSC that would allow the Commission and participating organizations to request advisory opinions from an ad hoc advisory panel on the legality of decisions or recommendations made by the Commission. He wished to reassure them that the proposed amendment was not intended as a criticism of ICSC. However, the overturning of the Commission's decisions by Administrative Tribunals could result in significant costs and administrative efforts. The legal advisers of the United Nations system, having studied the matter, had concluded that the establishment of advisory panels would constitute the best means of addressing that problem. The advisory opinions of the panels, which would include judges of the United Nations Administrative Tribunal and the Administrative Tribunal of the International Labour Organization, although not binding on the Administrative Tribunals, would nevertheless provide authoritative guidance regarding the legality of the Commission's decisions. The financial implications of the proposal would not be significant, since the panels would be convoked on an exceptional basis. He understood that ICSC, which had initially opposed the proposed amendment to its statute had since taken a more positive position.

15. **Mr. Bel Hadj Amor** (Chairman of the International Civil Service Commission) said that the Commission's views on the establishment of advisory panels were clearly stated in its report (A/54/30) and remained unchanged. ICSC considered that the panels would serve no purpose.

Agenda item 121: Proposed programme budget for the biennium 2000-2001 (*continued*) (A/54/6/Rev.1, A/54/7 and A/54/16)

First reading (*continued*)

Section 9. Economic and social affairs (*continued*)

Section 10. Africa: New Agenda for Development (*continued*)

Section 11A. Trade and development (*continued*)

16. **Mr. Den Hartog** (Brazil), speaking on section 9 of the proposed programme budget, voiced concern at the declining levels of extrabudgetary resources being made available for the funding of economic and social development activities and called upon donors to continue to support those activities. The programmatic aspects of the budget proposal were satisfactory, however, and only minor adjustments to the programme narrative were required.

17. His delegation hoped that the decrease in the number of posts funded from extrabudgetary resources under section 9 would not negatively affect the implementation of mandated activities. The Secretariat should make further efforts to reduce the vacancy rate in the Professional category to the agreed overall level. The precarious funding arrangements for the Office for Inter-Agency Affairs were an additional source of concern to his delegation.

18. Brazil shared the Secretariat's view that the growing participation of non-governmental organizations in United Nations activities warranted an increase in the resources allocated to the Non-Governmental Liaison Service. It also supported the Advisory Committee's observations concerning the need for greater involvement of intergovernmental bodies in the formulation of programmes of work, particularly in the field of publications.

19. Turning to section 11A, he noted that the United Nations Conference on Trade and Development (UNCTAD) had played an invaluable role in previous rounds of multilateral trade negotiations and was now focusing its activities on special programmes for the least developed countries, Africa and small island developing States, the transfer of technology, and investments in developing countries. UNCTAD had also made an important contribution to the analysis of the international economic and financial crisis and had been helping developing countries to better understand the complexities and implications of economic globalization and to formulate more effective national and international policies and strategies to deal with that phenomenon. The programme of work of UNCTAD, moreover, was fully consistent with the medium-term plan for the period 1998-2001 (A/53/6/Rev.1), which provided the framework for the current budget proposals.

20. His delegation concurred with the conclusions and recommendations of the Committee for Programme and Coordination (CPC) on section 11A and with the Advisory Committee's comments thereon. Given its heavy programme of work, the level of resources proposed for UNCTAD did not seem adequate. Any savings achieved should therefore remain within the organization.

21. **Mr. Nee** (United States of America) said that his delegation was disappointed at the performance of UNCTAD, particularly its management failures and lack of managerial accountability. Those fundamental shortcomings must be addressed before the United States could consider supporting any additional resources under section 11A.

22. **Mr. Burton** (Canada) asked to what extent the United Nations conference centre at Bangkok would be utilized for the tenth session of UNCTAD, which was due to be held at Bangkok in 2000. Concerning the proposed requirements for programme support, it would be useful to have a breakdown of expected outputs from intergovernmental support services and administrative support services as well as an explanation of the relationship between the administrative support services referred to under section 11A in paragraph 11A.80 (b) and the administrative support services provided for in sections 27A, 27B, 27C and 27E. The latter sections all represented significant budget items and his delegation wondered whether there might be some duplication.

23. **Mr. Kondo** (Japan), speaking on section 11A of the proposed programme budget, said that the secretariat of UNCTAD should be strengthened by reallocating existing resources and increasing managerial accountability. Given the overall decrease in programme resources, his delegation was concerned at the additional General Service post which had been

proposed for the Office of the Secretary-General of UNCTAD. It was also concerned at the proposed transfer of one P-5 post from subprogramme 3, under which the workload was expected to increase as preparations continued for the next round of global trade negotiations, to subprogramme 2. Furthermore, it questioned the value of producing costly materials such as films as part of the preparations for the tenth session of UNCTAD. It might be more cost-effective to make use of the home pages on the web site, which could also be downloaded and made available to people in regions with limited access to the Internet. Lastly, in view of the special needs of the least developed countries and geographically disadvantaged developing countries, the Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries should be strengthened using resources from savings achieved during the current biennium or from reductions in other subprogrammes.

24. **Mr. El Ghazali** (Sudan) said that his delegation supported the statements made by the representative of Guyana, on behalf of the Group of 77 and China, and the representative of Bangladesh, the coordinator of the least developed countries, concerning increased support for UNCTAD programmes aimed at the least developed countries. It was essential for UNCTAD to have the financial resources to continue to provide valuable assistance to developing countries, such as his own, which wished to join the World Trade Organization.

25. **Mr. El Gammal** (Egypt) said that his delegation supported the statement made by the representative of Guyana on behalf of the Group of 77 and China. The work being done by UNCTAD in Africa was of the greatest value, but correspondingly significant levels of financial and human resources had not been allocated. He was concerned about the effect that any reduction in the UNCTAD budget would have on its ability to carry out its remit: its involvement in the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF) had already been reduced. He supported the demand by the Group of 77 and China for responsibility for the Special Programme for Africa to be returned to UNCTAD and for it to be granted sufficient financial and human resources.

26. **Mr. Getachew** (Ethiopia), speaking on section 11A of the proposed programme budget, said that the marginal increase of 0.4 per cent in the regular budget of UNCTAD was inadequate in view of the services which the organization was expected to provide to developing countries, particularly those in Africa. His delegation shared the Advisory Committee's view that the capacity of the Office of the Special Coordinator to coordinate the activities and programmes of the least developed, landlocked and island developing countries had not been addressed satisfactorily. It also had concerns about the follow-up mechanism for the Third United Nations Conference on the Least Developed Countries, to be held in 2001, including preparatory activities, and requested additional information on the proposed mechanism. The continuing high vacancy rate at UNCTAD was an additional cause of concern. Indeed, the issue of consultants should be seen in the context of the organization's high vacancy rate.

27. **Ms. Sun Minqin** (China) said that her delegation attached great importance to the work of UNCTAD, which was the focal point within the United Nations for the integrated treatment of development and interrelated issues in the areas of trade, finance, technology, investment and sustainable development. It therefore supported the recommendations of CPC on section 11A of the proposed programme budget and hoped that adequate resources would be made available for their implementation. Her delegation was concerned, however, at the level of resources requested for the hiring of experts and consultants and at the high vacancy rate in UNCTAD. She would welcome a response from the Secretariat to those concerns.

28. **Mr. Moore** (Bahamas), speaking on behalf of the Alliance of Small Island States (AOSIS) on section 11A of the proposed programme budget, said that the work of UNCTAD was of the highest importance for developing countries in general and for small island developing States in particular. As the focal point within the United Nations for the integrated treatment of development and interrelated issues in the areas of trade, finance, technology, investment and sustainable development, UNCTAD had been providing developing countries with critical analytical work in key areas of development and much needed technical cooperation. In particular, it assisted small island developing States in the areas of trade facilitation and market access, diversification, multilateral trade negotiations, trade dispute settlement and integration into the multilateral trading system.

29. AOSIS was therefore deeply disappointed at the declining level of resources proposed for activities related to small island developing States. While

UNCTAD as a whole had been subjected to unprecedented staff reductions, activities related to small island developing States had been the most severely affected. In a rapidly globalizing world, the development prospects of small island developing States depended on the type of support they received from UNCTAD. The Committee therefore had a duty and responsibility to provide the Office of the Special Coordinator with adequate resources to carry out its activities.

30. **Ms. Buergo Rodríguez** (Cuba) said that, given the critical role played by UNCTAD and the importance which the General Assembly had attached to that organization's activities, her delegation was concerned at the low level of resources earmarked for section 11A of the proposed programme budget. In that connection, she wondered whether the programme of work of UNCTAD had been considered by the Trade and Development Board.

31. In addition, her delegation wished to know what criteria had been used to determine the number of expert meetings referred to in paragraph 11A.14 of the proposed programme budget; why the travel costs of the Secretary-General of UNCTAD had not been included in section 1; what the reason was for the proposed reduction in travel for the biennium 2000-2001; whether the $32,800 decrease in general operating expenses would affect the preparation of the tenth session of the Conference; and why that decrease had been proposed.

32. Some of the allocations within the various subprogrammes were not consistent with the mandates which had been given to UNCTAD. Information was lacking about the resources which had been proposed for South-South cooperation, one of the fundamental objectives of the programme of work of UNCTAD. Under subprogramme 5, her delegation was concerned at the low level of resources allocated for activities related to the least developed, landlocked and island developing countries. Lastly, contrary to the provisions of the medium-term plan for the period 1998-2001, no additional posts had been proposed for the Third United Nations Conference on the Least Developed Countries.

33. **Mr. Yussuf** (United Republic of Tanzania), speaking on behalf of the States members of the East African Cooperation — Kenya, Uganda and the United Republic of Tanzania, said that the three delegations associated themselves with the statement made by Guyana on behalf of the Group of 77 and China. They wished to reaffirm the importance which they attached to the Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries. The Office was grossly understaffed: its 10 Professionals had to deal with 95 States, all of which depended on it for advocacy of their interests. Even the volume of administrative work overwhelmed the staff, without considering substantive matters. Furthermore, only 7 of the 10 posts were filled. In order to operate effectively, the Office required a minimum of 20 Professional staff members.

34. The idea that the least developed countries constituted a cross-cutting issue was not working; for example, the Office had difficulty in persuading the UNCTAD divisions to do things which were priorities for those countries. Coordination was impossible without competent staff: 10 additional posts should be created to enable the Office to coordinate what was going on inside UNCTAD. The budget submitted by the Secretariat did not reflect the Office's needs or the suggestions made by the Geneva-based missions.

35. The substantive work assigned to the Office constituted a major undertaking. In 1990, the United Nations Conference on Trade and Development Division for the Least Developed Countries had had 38 Professionals; now there were only 10. He questioned how they could work on the organization of UNCTAD X and still keep up their regular work. At a very minimum, the resources shown in the budget proposals should be doubled.

36. **Mr. Chandra** (India) said that his delegation associated itself with the various statements made by Guyana on behalf of the Group of 77 and China and it endorsed the comments and recommendations of ACABQ and CPC.

37. Referring to section 10, he said that the best intentions for Africa's economic development were useless unless matched by adequate resources. Africa's requirements for external finance had been estimated at $30 billion for 1992, with an annual increase of at least 4 per cent. Today the needs were far greater, but the inflow of capital was steadily declining. Africa's net transfer of resources abroad was now estimated at 25 per cent of domestic savings. His delegation noted the improvement of the coordination in the United Nations system of the implementation of the New Agenda for

Development, but such coordination was pointless when donors were increasingly taking unilateral action. The crucial issue of ensuring full ownership of development projects through the involvement of all the recipient countries therefore deserved the highest priority. The proposals formulated by the African countries and contained in the budget document should be supported by an increased allocation of both financial and manpower resources.

38. **Mr. Daka** (Zambia) said that his delegation associated itself with the statements made by Guyana on behalf of the Group of 77 and China, by Bangladesh on behalf of the least developed countries, and by the Lao People's Democratic Republic on behalf of the landlocked countries. The situation in the Office of the Special Coordinator was perfectly clear: given the workload, the human resources must be increased.

39. **Mr. Sach** (Director, Programme Planning and Budget Division) said that the budget proposals for UNCTAD showed real resource growth of 0.4 per cent, which was slightly higher than the level for the whole budget. Many speakers had said that the provisions were inadequate. In fact, the level of real resources was almost the same as in the current biennium, when 43 posts had been cut. UNCTAD IX had led to a restructuring of the work and the staffing table in 1996-1997 with consequent reductions in 1998-1999. A budget performance report on a full biennium was not yet available, but it was clear that some subprogrammes were not receiving their due, in particular subprogramme 5. The General Assembly would perhaps send an appropriate message in that connection to UNCTAD X following its review of the budget.

40. There were no post reductions as such under section 11A. The Office of the Special Coordinator was to be staffed at the same level as in the current biennium, but it was true that UNCTAD had relatively high vacancy rates in the Professional and higher category. Consultants and experts were not used to fill vacant posts but only to complement the permanent staff; they could not make good any structural defects.

41. Turning to the use of savings, he said that at the end of the biennium 1996-1997 the General Assembly had made a special arrangement for some $5 million in savings to be made available to UNCTAD in the current biennium in order to strengthen the programme of work. A report on the subject would be available in a few days' time and would show that about $3.8 million of that amount had been used. The arrangement had been an exceptional one to meet the special needs of UNCTAD. If, as some delegations had suggested, savings from the current biennium were to be used in a similar way, the General Assembly would have to make another exceptional provision. In fact the activities funded in that way were short term and again did not correct any structural defects.

42. There was no dispute as to the need for a provision for the United Nations Secretary-General to travel to UNCTAD X. A decision had been taken to place the costs, as in other similar cases, in the UNCTAD section. The Conference on Restrictive Business Practices was being organized by the UNCTAD secretariat on the basis of a review of the arrangements by the Trade and Development Board. Moreover, the programme of work set out in section 11A had been reviewed by the UNCTAD Working Party on the Medium-term Plan and the Programme Budget before submission to the Board for approval; the programme had been put together on the basis of the General Assembly's budget guidelines.

43. UNCTAD X was being held at Bangkok at the invitation of the Thai Government and would use resources and facilities provided by the Government and by ESCAP.

44. With regard to the breakdown of programme support funds in paragraph 11A.80 and table 11A.7, he would counsel caution when comparing programme support figures across sections of the budget because different units had different structures. UNCTAD programme support included, in addition to purely administrative services, services in other areas which would have appeared under Executive Direction and Management in other sections. He would try to provide the requested breakdown of the intergovernmental and administrative support elements; it was a difficult exercise because a breakdown of services provided by a single organizational unit required a degree of judgement in the assignation of segments of staff time.

45. He would provide answers in informal consultations to a number of other detailed questions on specific paragraphs and tables.

46. **Ms. Buergo Rodríguez** (Cuba) said that she was still not clear about the justification for placing the provision for travel by the Secretary-General in section 11A rather than in section 1. Perhaps more details

could be given later. Her delegation noted the comments of the Director of the Programme Planning and Budget Division on the Conference on Restrictive Business Practices, but would like him to confirm that the Trade and Development Board had indeed endorsed the Working Party's proposals. There was no mention anywhere in the budget documents of what the Secretariat was to do in connection with the Conference; the topic needed further discussion.

47. She hoped that the report on the use of savings from earlier bienniums would be considered as part of the Committee's formal review of section 11A.

48. Her delegation had a particular interest in subprogramme 5, and would like the Secretariat to state specifically what resources would be used for the activities in favour of the least developed countries, landlocked countries and island developing countries.

49. Her delegation's concern about the criteria applicable to the redistribution of posts and drafting of job descriptions applied equally to UNCTAD. The information requested should be included in the Secretariat's written replies.

50. **The Chairman** said that she took it that the Committee had completed its first reading of section 11A of the proposed programme budget for the biennium 2000-2001 and wished to refer that section to informal consultations for further consideration.

51. *It was so decided.*

52. *Mr. Darwish (Egypt), Vice-Chairman, took the Chair.*

Section 11B. International Trade Centre UNCTAD/WTO (continued) (A/53/7/Add.15 and A/54/127)

53. **The Chairman** invited the Committee to consider section 11B of the proposed programme budget for the biennium 2000-2001.

54. **Mr. Tommo Monthe** (Chairman of the Committee for Programme and Coordination) said that CPC had had a serious difficulty with section 11B: the General Assembly had requested at its fifty-third session that a detailed programme for the International Trade Centre should be submitted directly to the Assembly at the current session; CPC had therefore been unable to examine the programme narrative or provide the Fifth Committee with a recommendation.

55. **Mr. Moktefi** (Algeria) said that his delegation supported in principle the activities of the International Trade Centre, whose mandate was very important for developing countries. It regretted that CPC had been unable to comment on the programme narrative of section 11B. The Advisory Committee had noted in its report that the procedure it had recommended had not been respected. He requested an explanation.

56. **Mr. Damico** (Brazil) said that he, too, would like an explanation of why recommended procedure had not been followed. He supported the activities of ITC to build the capacity of the business sector in developing countries, particularly least developed countries and countries with economies in transition. He was concerned about the modest real increase of 1.4 per cent in the resources being requested for the coming biennium, and called upon the Secretariat to ensure that ITC was provided with adequate resources.

57. **Ms. Buergo Rodríguez** (Cuba) asked for details on the difficulties that had prevented the Committee for Programme and Coordination from considering section 11B and submitting recommendations thereon to the General Assembly. She was concerned to note that the procedure followed in the preparation of the budget proposal for section 11B had not been in conformity with Advisory Committee recommendations approved by the General Assembly and that the proposal had not been based on the outline, but had preceded it (A/54/7, para. IV.60). The Secretariat should provide further information to clarify the situation. Her delegation attached special importance to the Organization's activities in relation to trade, including those under section 11B.

58. **Mr. Sach** (Director, Programme Planning and Budget Division) said that the General Assembly had recently agreed to new arrangements to be followed with WTO for the biennium 2000-2001; they had been devised because WTO wished to exercise fully its rights as one of the parent organizations of ITC. The arrangements concerned the sequence in which the budget outline and the proposed budget would be prepared and reviewed by the United Nations and WTO. Owing to the tight schedule for the completion of the proposed programme budget, no agreement had been reached with WTO on the budget outline for ITC before the initial programme budget proposals for 2000-2001 had been completed. As indicated in paragraph 11B.5 of the proposed programme budget (A/54/6 (Vol. II)), the current request was for the

maintenance of the existing resource base; its purpose was simply to reserve the funds needed pending the completion of a detailed budget proposal to be submitted to the Advisory Committee at its next session. Agreement had subsequently been reached with WTO on the budget outline for ITC, after which work had begun on a detailed budget proposal. That proposal, in turn, had been largely agreed upon, with the exception of a few minor elements that should be resolved in the near future. Once the detailed budget proposal had been finalized, it would be submitted in the normal format and would include details on programmes and outputs and a breakdown of objects of expenditure.

59. **Mr. Moktefi** (Algeria) said that his delegation had agreed to the new administrative arrangements approved by General Assembly decision 53/411 B on the understanding that their implementation would have no negative consequences. He regretted the current situation and hoped that the detailed budget proposal would be submitted as soon as possible.

60. **Ms. Buergo Rodríguez** (Cuba) said that she associated herself with the comments made by the representative of Algeria. She asked when the new budget proposal for section 11B would be submitted to the General Assembly.

61. **Mr. Sach** (Director, Programme Planning and Budget Division) said that the document would probably be finalized, translated and issued by mid-November.

62. **The Chairman** suggested that the Committee should suspend its consideration of section 11B pending the submission of the relevant documentation.

63. *It was so decided.*

Section 12. Environment (*continued*)

Section 13. Human settlements (*continued*)

64. **The Chairman** invited the Committee to consider sections 12 and 13 of the proposed programme budget for the biennium 2000-2001. In that connection he drew the Committee's attention to the recommendations of the Committee for Programme and Coordination contained in paragraph 235 and paragraphs 247 to 249 respectively of its report (A/54/16).

65. **Mr. Tommo Monthe** (Chairman of the Committee for Programme and Coordination) said that the format of section 12 was not totally consistent with the format of the other sections of the proposed programme budget and that a breakdown of resources by subprogramme had not been provided. Moreover, in view of other aspects of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (PPBME Rules), the Committee for Programme and Coordination had recommended that the General Assembly should request the Secretary-General to reformulate the narrative of section 12 in conformity with the standard presentation of the other sections and to ensure that the revised narrative was submitted to the General Assembly at its current session.

66. Although the Fifth Committee had received the reformulated narrative (A/C.5/54/20), it did not have the benefit of the comments of the Committee for Programme and Coordination. Therefore, it should evaluate the new narrative according to the criteria used by that Committee: namely, adherence to the PPBME Rules; consistency with the medium-term plan and with other relevant decisions of the legislative organs; and conciseness, clarity and precision in the wording of the narrative.

67. **Mr. Barnwell** (Guyana), speaking on behalf of the Group of 77 and China, reaffirmed the importance of the Nairobi Declaration and his support for the United Nations Environment Programme (UNEP) as the main United Nations organ dealing with environmental issues. He also reaffirmed his full support for the United Nations Centre for Human Settlements (UNCHS), which, like UNEP, was located in Nairobi. Adequate resources were needed for the ongoing revitalization of UNCHS, and the issue of rural settlements should be addressed in its programme of work.

68. At their Twenty-third Annual Ministerial Meeting, held on 24 September 1999, the Ministers for Foreign Affairs of the Group of 77 and China had noted with satisfaction the adoption of General Assembly resolution 53/242, which was of great importance to the reform of the United Nations in the areas of environment and human settlements. They had called for the effective and speedy implementation of the resolution with a view to enhancing the effectiveness and efficiency of UNEP and UNCHS.

The inadequate funding of those institutions at a time when extrabudgetary resources were declining was a matter of deep concern. The two bodies must be provided with adequate, stable and predictable financial resources to enable them to carry out their mandated activities. Lastly, the Executive Director of UNCHS should be appointed immediately, at the Under-Secretary-General level, in accordance with the relevant General Assembly resolution.

69. **Mr. Owade** (Kenya) said that he fully supported the statement made on behalf of the Group of 77 and China. He was disappointed at the amount of regular-budget resources being requested for the United Nations Office at Nairobi (UNON), which was much lower than the amounts provided to other United Nations offices. He asked why the appeal by the UNEP Governing Council for a substantial increase in the regular-budget allocation for UNON had gone unheeded. Nearly 97 per cent of the UNEP budget requirements were to be funded from extrabudgetary resources. However, it was imperative to ensure predictability and stability in the Programme's funding. Its activities to support the transfer of technology and the development of policies to address the complex relationships among trade, environment and development should be strengthened further, and its role in mobilizing and coordinating responses to environmental emergencies, pursuant to Agenda 21, was of vital importance.

70. He wondered whether the Programme's adoption of a results-oriented work programme based on performance indicators was premature, considering that the General Assembly had not yet reached a consensus on that concept. He also wondered why the posts of UNEP regional directors were being downgraded owing to "top-heaviness", while entities in other top-heavy sectors such as human rights were not taking similar measures. He welcomed the steps taken to improve data services at UNON. However, he shared the serious reservations about video-conferencing expressed at a previous meeting on behalf of the Group of 77 and China. A full study should be undertaken on the viability of that project; in the meantime, provision must be made in the budget for full-fledged interpretation services at UNON. He endorsed the comments made by the Advisory Committee in paragraphs IV.68, IV.70 and IV.72 of its report (A/54/7), and in particular the recommendation, in paragraph IV.63, that UNEP should receive its fair share of reimbursements from the convention secretariats, in the amount of $300 million.

71. With respect to section 13, 86 per cent of the resources for UNCHS were expected to come from extrabudgetary resources, even though the Centre had a critical role to play under its revitalized mandate. The fact that such donations increasingly tended to be earmarked for specific activities hampered the Centre's ability to carry out all its programmes fairly and equitably. The proportion of regular-budget resources in the budget for UNCHS should therefore be increased, especially in view of the disappointing results of the recent pledging conference. The Committee for Programme and Coordination had underscored that issue in paragraph 244 of its report (A/54/16). He commended the Centre's implementation of far-reaching reforms, and stressed the importance of providing it with adequate resources for the preparations for the special session on the implementation of the Habitat Agenda, to be held in 2001. Lastly, he agreed that the Executive Director of UNCHS should be appointed immediately at the Under-Secretary-General level.

72. **Mr. Nee** (United States of America) said that he supported efforts to strengthen UNEP. The changes to the work programme and budget proposed by the new Executive Director at the most recent session of the UNEP Governing Council should be implemented. UNEP should focus on its core tasks, such as monitoring and assessment, and should support international negotiations on chemicals issues. Paragraph 12.35 of the budget proposal referred to the mobilization and coordination of international responses to environmental emergencies; however, the words "in coordination with other relevant agencies" should be added, considering that UNEP did not have a mandate to perform that function alone. The work on urban management described in paragraphs 12.52 (a) to (d) should take the work of UNCHS into account to avoid duplication in that area.

73. In general, his delegation was satisfied with the budget proposal for section 13. He asked for an explanation of the large increase in funding being requested for consultants and experts (A/54/6 (Vol. II, table 13.2)). The report on new and additional resources needed for implementing the Habitat Agenda, referred to in paragraph 13.44 (a) (i), had not been authorized by delegations. The comprehensive document for the special session should take the full

scope of resource mobilization issues into account, but no separate report should be prepared on that topic.

74. **Mr. Kondo** (Japan) commended the Government of Kenya for hosting two such important organs as UNEP and UNCHS. He welcomed the reformulated narrative of section 12 prepared on the basis of the recommendations of the Committee for Programme and Coordination, and shared the Advisory Committee's views on the need for transparency with regard to the governing bodies of various conventions. The top-heavy structure of UNEP should be adjusted in the next programme budget. He asked for clarification of the problem identified in paragraph IV.72 of the Advisory Committee's report (A/54/7). He hoped that the restructuring of UNON, referred to in paragraph 229 of the report of the Committee for Programme and Coordination (A/54/16), would enhance the effectiveness of UNEP. However, he questioned the need for a post of spokesman, considering that a more consolidated approach should be taken to public information activities.

75. With respect to section 13, he supported the Advisory Committee's call for the clear identification of programme support charges and careful monitoring of administrative and management costs to ensure that more resources contributed to the Habitat Foundation were available for projects (A/54/7, para. IV.79).

76. **Mr. Odaga-Jalomayo** (Uganda) said that he supported the recommendations of the Committee for Programme and Coordination, as well as the statements made by the representative of Guyana, on behalf of the Group of 77 and China, and the representative of Kenya. The budget document for UNEP was neither transparent nor streamlined, and its terminology did not conform to the terminology agreed upon by the General Assembly. The budget proposal made it difficult to assess the adequacy of the resources requested for management and administrative support costs in relation to the programme of work of UNEP, and the reasons for changes in resource levels were not clearly stated. The proposal should be clarified to enable the Fifth Committee to determine what was being proposed and what could be accomplished within the resources requested. In the current proposal, what were normally referred to as programmes were termed subprogrammes, while subprogrammes were described as elements. He did not understand how objectives, inputs, activities and performance indicators were defined in terms of UNEP.

77. He shared the views of the Guyanese and Kenyan delegations concerning the unreliability and unpredictability of the Programme's resource base, which consisted mainly of extrabudgetary funds. That situation failed to reflect the role of UNEP as defined in the Nairobi Declaration, which the General Assembly had endorsed at its nineteenth special session. He noted that UNON had been made responsible for budget administration, staffing, implementation of audit recommendations and administrative support for UNEP and the convention secretariats, and asked how those costs were to be defrayed, since the proposed budget did not seem adequate. Lastly, he hoped that urgent action would be taken to avoid cumbersome and duplicative procedures in the appointment and promotion machinery for the Nairobi-based entities.

78. **Mr. Sial** (Pakistan) said that he supported the statement made on behalf of the Group of 77 and China, as well as the statements made by the representatives of Kenya and Uganda. He asked the Secretariat to explain why recommendations of the Office of Internal Oversight Services which had not yet been approved by the General Assembly had been reflected in sections 12 and 13 of the proposed programme budget.

79. **Mr. Halbwachs** (Controller) said that the heavy reliance on extrabudgetary resources in the budget proposal for UNEP reflected a decision taken by the General Assembly when it had established UNEP and the Environment Fund. Its resolution 2997 (XXVII) stipulated that only conference servicing and a small secretariat would be financed from the regular budget, while the programme of work would be financed from the Environment Fund. With respect to resources to enable UNON to provide administrative services to the convention secretariats, those costs would be covered by the convention secretariats, as shown in section 27 of the proposed programme budget. The large increase in resources for consultants in the UNCHS budget proposal was explained in the narrative of that section, which indicated that the preparatory process for the special session to be held in 2001 would require the convening of an ad hoc expert group. Measures for the overall strengthening of UNON would be dealt with in the context of section 27 of the proposed programme budget.

The meeting rose at 1.10 p.m.